

S/003/072 F
COPY TOM



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
FILLMORE FIELD OFFICE
35 East 500 North
Fillmore, UT 84631



In Reply Refer to:
3800
(U-010)
UTU-078296

April 17, 2002

CERTIFIED MAIL #7001 1940 0004 6456 0069
RETURN RECEIPT REQUESTED

LOY CRAPO
350 E 300 S
DELTA UT 84624

RECEIVED

APR 22 2002

**DIVISION OF
OIL, GAS AND MINING**

Dear Mr. Crapo:

On April 11, 2002, a surface compliance inspection was conducted at the site of your exploration, notice serialized UTU-072896, and located in the SW $\frac{1}{4}$ of Section 27, T. 14 S., R. 10 W.

The inspection revealed that no activity has taken place at the site for approximately one year. On May 7, 2001, you submitted to UDOGM, a Notice of Intention to Commence Small Mining Operations (NOI). Upon contacting you, you stated to Larry Garahana that you had no intent to mine the material, since you could not profitably do so, which is why we did not process the NOI as a 43 CFR 3809 Plan of Operations (Plan).

The surface compliance inspection also revealed that the financial guarantee for the operation is inadequate. 43 CFR §3809.554 states that a financial guarantee must be calculated as though the BLM were hiring a third-party contractor to perform reclamation. For the BLM to reclaim the disturbance created under this notice, which consists mostly of an approximately 300 foot cut deep into the hillside, we would need approximately \$5000. Your financial guarantee is currently for only \$1000.

Within 30 days, you should do one of the following:

1. Recalculate the amount of the financial guarantee, and if we agree with the revised cost, submit the amount by which your current financial guarantee is deficient to

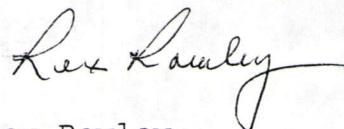
the Utah State Office of the BLM. If, after doing so, you wish to extend your Notice beyond March 12, 2003, you must notify us in writing. Upon such notification, we will inspect the operation, and if there has been no further activity at the site, will require that you promptly complete reclamation, unless we are processing a Plan of Operations.

2. Recontour the cut you made into the hillside leading to your prospect. Since it is too late this year for seed to be applied and successfully germinate and grow, we will hold the current financial guarantee until vegetation has been established on the site.

Also, if you choose option "1", and want us to begin processing the NOI as a 3809 Plan, please indicate to us whether you wish to wait for completion of a mineral report to determine if the material is a common-variety before commencing operations, or as required by 43 CFR §3809.101, whether you wish to establish an escrow account for the value of the material you mine while the mineral report is prepared. If you fail to indicate whether you wish to wait for the mineral report or establish the escrow, or if you choose option "2", we will assume that you do not consider the project viable, and will consider the NOI/Plan withdrawn.

If you have any questions, please contact Jerry Mansfield at (435) 743-3125.

Sincerely,



Rex Rowley
Field Office Manager

cc: Tom Munson, UDOGM (S/023/072)
Althea Crapo, PO Box 1113, Delta, UT 84624
Carrie Crapo, 665 E. Bristlecone Ln, Delta, UT 84624
Kristi and Bill Owens, 729 W. Hwy 101, Hyrum, UT 84319